

112 FERC 61,265  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Nora Mead Brownell, and Suedeene G. Kelly.

Adirondack Hydro Development Corporation	Docket Nos. ER05-1176-000
	ER05-1176-001
Enron Sandhill Limited Partnership	ER05-1246-000
	EL05-111-000

ORDER ACCEPTING NOTICES OF CANCELLATION AND TERMINATING  
SECTION 206 PROCEEDING

(Issued September 12, 2005)

1. In this order, the Commission accepts the notices of cancellation filed in the referenced dockets. These notices of cancellation have been filed in response to the Commission's order issued on May 31, 2005,<sup>1</sup> in which the Commission directed the above-referenced entities to file updated market power analyses or to provide satisfactory support for why they should not be required to do so. This order also terminates the section 206 proceeding instituted in Docket No. EL05-111-000 with regard to the above-captioned entities.

**Background**

2. As a condition of receiving market-based rate authority, the Commission requires market-based rate sellers to submit an updated market power analysis every three years<sup>2</sup> to allow the Commission to evaluate the reasonableness of their charges and to allow ongoing monitoring of their ability to exercise market power. In the absence of an updated market power analysis, the Commission cannot exercise its statutory duty to ensure that market-based rates are just and reasonable and that market-based rate sellers continue to be unable to exercise market power.

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<sup>1</sup> *3E Technologies, Inc.* 111 FERC ¶ 61,295 (2005) (May 31 Order).

<sup>2</sup> See, e.g., *Western Resources, Inc.*, 94 FERC ¶ 61,050 at 61,247 (2001); *Entergy Services, Inc.*, 58 FERC ¶ 61,234 at 61,760 (1992); *PSI Energy, Inc.*, 51 FERC ¶ 61,367 at 62,209 (1990).

3. In the May 31 Order, the Commission also gave the captioned market-based rate sellers the option to file a notice of cancellation, instead of filing updated market power analyses or providing support as to why they should not be required to do so. The above-captioned entities have done so, so they do not need to submit updated market power analyses.<sup>3</sup>

### **Notices of Cancellation**

4. On June 30, 2005, and July 19, 2005, Adirondack Hydro Development Corporation (Adirondack) submitted a notice of cancellation requesting that the Commission cancel its market-based rate tariff effective June 1, 2005.

5. On July 25, 2005, Enron Sandhill Limited Partnership (Sandhill) submitted a notice of cancellation requesting that the Commission cancel its market-based rate tariff effective October 31, 2002.

### **Procedural Matters**

6. Notice of Adirondack's June 30, 2005 filing was published in the *Federal Register*, 70 Fed. Reg. 40,698 (2005), with interventions or protests due on or before July 21, 2005. Notice of Adirondack's July 19, 2005 filing was published in the *Federal Register*, 70 Fed. Reg. 44,095 (2005), with interventions or protests due on or before August 9, 2005. None was filed.

7. Notice of Sandhill's filing was published in the *Federal Register*, 70 Fed. Reg. 46,161 (2005), with interventions or protests due on or before August 15, 2005. None was filed.

### **Discussion**

8. We accept the notices of cancellation filed by Adirondack and Sandhill. However, Adirondack and Sandhill have failed to demonstrate good cause to justify waiver of the 60-day prior notice requirement to allow for the requested effective dates. Accordingly, Adirondack's and Sandhill's market-based rate tariffs will be cancelled effective August 30, 2005, and September 24, 2005, respectively, after 60 days notice from the date of filing.

9. In addition, we find that these filings satisfy the Commission's directive in the May 31 Order, and we will therefore terminate the section 206 proceeding instituted in Docket No. EL05-111-000 with regard to Adirondack and Sandhill.

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<sup>3</sup> May 31 Order at P 6.

The Commission orders:

The Commission accepts the notices of cancellation filed by the above-captioned entities and terminates the section 206 proceeding instituted in Docket No. EL05-111-000 with regard to them, as discussed in the body of this order.

By the Commission.

Magalie R. Salas,  
Secretary.